

7. REVIEW OF 1997 HOUSING ELEMENT

The Town's previous Housing Element was adopted in 1997. In order to effectively plan for the future, it is important to reflect back on the goals of the 1997 Element and to identify those areas where progress was made and those areas where additional effort is needed. In fact, the State Housing Element guidelines require communities to evaluate their previous Housing Element according to the following criteria:

- Effectiveness of Element,
- Progress in Implementation, and
- Appropriateness of Goals, Objectives and Policies.

EFFECTIVENESS OF ELEMENT

The Town's 1997 Housing Element identified the following goals:

1. To improve the choice of housing opportunities for senior citizens, families and singles and for all income groups through a variety of housing types and sizes, including a mixture of ownership and rental housing.
2. To preserve existing moderately priced and historically significant housing.
3. To improve the quality of existing housing and prevent blight.
4. To eliminate racial, lack of handicapped accessibility and all other forms of discrimination that prevent free choice in housing.
5. To make infrastructure projects and residential and nonresidential developments be compatible with environmental quality and energy conservation.
6. To reduce the homeless population.
7. To provide housing affordable to people who work in the Town.

In order to achieve these goals, the 1997 Element listed a series of policies and programs that would help to achieve the goals. The tables on the following pages identify the policies and programs from the 1997 Element. The tables



then also include a description of the actions that were taken from 1996-2001 and the progress that was achieved in addressing the 1997 goals and policies.



The Los Gatos Creek Village Apartments (Miles Avenue) were completed with Town assistance during the 1996-2001 Housing Element time frame.

It should be noted that the 1997 Housing Element projected a 4-year time frame for implementation of the housing program policies and goals. The time frame projected was 1996-99 because it was anticipated that the Housing Element would be updated in 1999. However, the deadline to update the Element in 1999 was later extended by the California Department of Housing and Community Development in order to provide enough time for ABAG to revise the Regional Housing Needs Allocation plan for the area. The deadline for all of the ABAG jurisdictions to revise their Housing Elements was extended to December 30, 2001. Therefore, the goals and objectives as listed in the following tables were originally expected to be achieved between 1996-99 but the accomplishments as listed were actually achieved during the time period from 1996-2001.

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ILLUSTRATION # 22: PROGRESS IN ACHIEVING 1997 HOUSING POLICIES AND PROGRAMS (1996-2001)

POLICY	IMPLEMENTATION PROGRAM	ACCOMPLISHMENTS (1996-2001)	COMMENTS
1. Developments restricted for occupancy by senior citizens, handicapped or persons in the very low and low income groups shall be eligible for a density bonus of up to 100% of the units permitted by the land use designation as shown on the land use plan or any specific plan.	1. Density Bonus The Town will continue the Density Bonus Program allowing 100% density bonus for qualified projects.	The Town Council approved density bonuses for the Open Doors development and the Sobrato Development (in early 2002). Further, the Council also approved a 100% density bonus for the Los Gatos Creek Village Apartments, which was completed in 2001.	Continue Policy in 2002-2006 Time Frame with following changes: a) Ensure that staff and developers are aware of density bonus b) Develop marketing materials for development community
2. The Town will consider reductions in development standards for affordable housing developments.	2. Development Standards The Town will continue to review and, where feasible reduce development standards (e.g. parking, open space) for affordable developments.	Development standards were reduced for the Los Gatos Creek Village Apartments. The Council also approved exceptions to the maximum height limitation for the Sobrato Development.	Continue Policy in 2002-2006 Time Frame
3. The Town will consider Housing Element and Technical Appendix goals, policies and needs when reviewing residential applications of 3 or more units.	3. Consistency with Housing Element and Housing Element Technical Appendix All approvals of residential developments of 3 or more units must include a finding that the proposed development is consistent with the Town's Housing Element and addresses the Town's Housing needs as identified in the Element and Technical Appendix.	All residential applications of 3 or more units from 1997-2001 contained a finding that the development was consistent with the Town's Housing Element.	Continue Policy in 2002-2006 Time Frame



POLICY	IMPLEMENTATION PROGRAM	ACCOMPLISHMENTS (1996-2001)	COMMENTS
4. The town shall support the mixing of residential uses with other non-residential uses. New residential units will be encouraged with commercial uses on the same site. Existing residential uses in non-residential areas shall be allowed to remain when certain conditions are met.	<p>4. New Residential uses in Commercial Areas</p> <p>The Town shall encourage the mixing of residential uses with commercial uses.</p> <p>5. Existing Residential Uses in Non-Residential Areas</p>	<p>From 1996-2001, the Town Council approved several mixed use developments including:</p> <ul style="list-style-type: none"> a) Los Gatos Boulevard/Terreno de Flores development, which includes 14,000 square feet of office space and 19 residential units b) Sobrato Development, which includes a 288,000 square foot research building and 135 apartments. <p>Existing residential uses were allowed to remain in non-residential areas.</p>	<p>Continue Policy in 2002-2006 Time Frame</p> <p>Continue Policy in 2002-2006 Time Frame</p>
5. Higher density, affordable housing shall be encouraged throughout the Town.	<p>6. Infill and Rezoning Policies</p> <p>The Town shall approve mixed-use development at high density or rezone sufficient acreage to RM:5-20 as needed in order to meet the very low and low-income need as identified in Illustration #16 of the Housing Element Technical Appendix. The Town will also adopt a policy that specifies that any rezoning of non-residential land to residential land shall only be approved if the site is rezoned for higher density use.</p>	<p>The Town has approved mixed-use developments through the Planned Development process. The Los Gatos Boulevard/Terreno de Flores and Sobrato developments mentioned above are two examples.</p> <p>Illustration #16 in the 1997 Housing Element identified the following very low and low income needs for 1996-99:</p> <p style="padding-left: 40px;">Very Low: 45 Units</p> <p style="padding-left: 40px;">Low: 44 Units</p> <p>A total of 13 very low income and 12 low-income units have either been approved or constructed at the time that this Housing Element was written.</p>	<p>The Town has been supportive of mixed-use development and will continue this policy in the future.</p>

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6. Smaller, moderate cost, quality housing units shall be encouraged and the expansion of existing homes will be limited.	7. Housing Unit Size and Neighborhood Compatibility The Town will continue to use Floor Area Ratio (FAR) in order to control the size of dwelling units in relation to the lot and surrounding neighborhood. The Town will consider the feasibility of adopting a Residential Demolition Ordinance.	The Town continues to consider FAR through the Zoning Ordinance provisions (Sec. 29.40.075. In January 1998, the Town also amended the "Residential Development Standards for All Single Family and Two Family Dwellings." Those standards establish guidelines for site and neighborhood compatibility including building size and mass. Demolition of existing residences is also included in the Standards. It should also be noted that demolition of historic structures is controlled by the Ordinances for specific Historic Dis tricts in the Town.	Continue Policy in 2002-2006 Time Frame
7. The conversion of existing rental projects to condominium ownership shall be discouraged in order to maintain the stock of available rental units. 8. The Town shall attempt to maintain a range of 30-35% of the total Town dwelling units as rental units.	8. Condominium Conversion Ordinance The Town shall formalize its policies regarding the conversion of apartments to condominiums by adopting a Condominium Conversion Ordinance.	The Town's Zoning Ordinance effectively prohibits the conversion of apartments due to parking and open space requirements. The Town has achieved this objective. The 2000 U.S. Census data indicate that 35% of the Town's housing stock was renter-occupied.	Since rental housing often times provides a more affordable source of housing opportunities, it is important to preserve the existing housing stock. The Town will implement the Rental Housing Preservation Program for the 2002-2006 time frame.
9. Secondary units shall be allowed subject to restrictions on lot size, floor area, density and occupancy.	9. Secondary Dwelling Unit Ordinance The Town will evaluate the Secondary Dwelling Unit Ordinance to determine if revisions are appropriate.	Secondary dwelling unit provisions are contained in Division 7 of the Town's Zoning Ordinance. There has been no evaluation of Division 7 or revision of Secondary Unit requirements from 1996-2001.	Ensure that the evaluation of Secondary Unit requirements is a high priority work task for the 2002-2006 time frame.



POLICY	IMPLEMENTATION PROGRAM	ACCOMPLISHMENTS (1996-2001)	COMMENTS
10. The Town shall discourage the conversion of mobile home parks into other uses that would reduce the availability of comparably priced housing units.	10. Mobile Home Park Ordinance The Town will continue to administer the Mobile Home Park Ordinance and will revise the Ordinance to specify that any proposal to convert a mobile home park to a residential development shall provide at least as many low cost housing units as could be accommodated within the existing park's capacity.	There were no mobile home park conversions during the 1996-2001 time period. (There are two mobile home parks in Los Gatos.) The Mobile Home Park Ordinance was not revised during the time period.	Revise Mobile Home Park Ordinance to ensure the provision of affordable units similar to the existing park's unit capacity.
11. The Town shall utilize rehabilitation to preserve and improve the quality of existing housing and eliminate blight.	11. Housing Conservation Program The Town will continue to provide financial and technical assistance to lower income households. Special efforts will be made to market the program to the Town's mobile home parks as well as other prospective applicants. Objective: 6 Households Assisted Annually	<u>Objective Partially Achieved</u> From 1997-2001, the Housing Conservation Program assisted a total of 7 households. The 1996-99 objective was to assist 6 households annually. Therefore, the program only partially achieved its stated objectives.	The Town needs to update its housing condition information by undertaking an evaluation of housing conditions in the older housing stock. Once the units have been identified that need rehabilitation assistance, more aggressive marketing should be undertaken.
12. The Town shall encourage increased opportunities for home ownership but not at the expense of the availability of multiple rental unit construction.	12. Mortgage Credit Certificate Program (MCC) The Town shall continue to participate in the Mortgage Credit Certificate Program. Objective: 5 Households Assisted Annually	<u>Objective Partially Achieved</u> From 1997-2001, there were four Mortgage Credit Certificates (MCC) issued for homes purchased in Los Gatos. As of Spring 2002, the maximum sales price for a MCC unit is \$410,000. This maximum has precluded most purchasers of units in Los Gatos from qualifying for a MCC.	Continue to support MCC Program and related programs for Teacher Certificates and First Time Homebuyers as offered by the County of Santa Clara.

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<p>13. The Town shall encourage the provision of new units for ownership and rental by low and moderate-income households.</p> <p>14. New and existing dwelling units for ownership and rental by very low, low and moderate-income households shall be dispersed throughout the Town.</p>	<p>13. Below Market Price (BMP) Program</p> <p>The Town shall continue to implement the BMP program and shall implement the following revisions:</p> <ul style="list-style-type: none"> a) If necessary, the Town will exercise its "right of first refusal" to purchase BMP units that may have resale prices that exceed low or moderate-income affordability limits. b) The Town will consider revising the income eligibility so that future BMP units are affordable only to households with incomes at or below 80% of median income. c) The Town will continue to monitor the existing inventory of BMP units, especially rental units. <p>Objective:</p> <p>5 BMP Units</p> <p>\$400,000 in In-Lieu Fees</p>	<p>The Town has continued to implement the BMP program through the 1996-2001 period.</p> <p><u>Objective Achieved</u></p> <p>From 1996-2001, there were 8 BMP units added to the housing stock (Bella Vista and The Village). In addition, \$1.2 million dollars in In-Lieu Fees were collected during the time period.</p>	<p>The Town has not revised eligibility criteria for the BMP program. The Town will be holding a Housing Affordability Study Session in Fall 2002 and will study this issue then.</p>
	<p>14. Affordable Housing Fund</p> <p>The Town will utilize the Affordable Housing Fund to provide financial assistance to developers who develop affordable housing.</p> <p>Objective:</p> <p>15 total new units assisted</p>	<p>The Town did not establish a separate Affordable Housing Fund but, rather, used various funding resources (Redevelopment housing set-aside funds, In-Lieu Fees and CDBG) to assist affordable housing.</p> <p><u>Objective Achieved</u></p> <p>In 2000-2001, the Town provided financial assistance to the Los Gatos Creek Village Apartments, a 12-unit project of which very low-income households occupy all units. In addition, the Town also contributed CDBG funds to assist with 25-unit HomeSafe transitional housing and 50-unit Sobrato Living Center (transitional, permanent and emergency housing). Both of these developments are located in Santa Clara but are available to Los Gatos residents.</p>	<p>The Town will continue to utilize all funding resources for affordable housing assistance and development in the 2002-2006 time frame.</p>



POLICY	IMPLEMENTATION PROGRAM	ACCOMPLISHMENTS (1996-2001)	COMMENTS
<p>13. The Town shall encourage the provision of new units for ownership and rental by low and moderate-income households. (Continued)</p> <p>14. New and existing dwelling units for ownership and rental by very low, low and moderate-income households shall be dispersed throughout the Town. (Continued)</p>	<p>15. Redevelopment Housing Program</p> <p>The Town will continue to implement the Redevelopment Housing Program and to allocate housing tax increment funds to the Affordable Housing Fund. Any Redevelopment funds expended shall be used in the following proportions:</p> <p>31% - very low income 31% - low income 38% - very low, low or moderate income</p>	<p>Approximately \$538,500 was provided to the Los Gatos Creek Village Apartments, a 12-unit apartment in which very low-income households occupy all units.</p> <p>In late 2001, the position of Redevelopment Manager was filled. With this new staff person, the Town expects increased Redevelopment, especially housing, activity.</p>	
	<p>16. Surplus Lands Program</p> <p>The Town will monitor the disposal of any surplus public lands and consider the use of those lands for affordable housing.</p>	There were no surplus sites available during the time frame of the Element.	
	<p>17. Affordable Housing Program Staffing</p> <p>The Town will evaluate the need to create a staff position that will co-ordinate all of the Town's affordable housing policies and programs and be responsible for the monitoring of those programs.</p>	See accomplishments in #15 above. The job duties of the Redevelopment Manager position include supervision of the Town's affordable housing programs.	
15. The Town will make every effort to preserve the existing supply of affordable housing units.	<p>16. At Risk Preservation Program</p> <p>The Town will work with the owners of the three housing developments in the Town that are at risk of losing government subsidies which enable them to be affordable.</p>	Two of the three developments, Villa Vasona and Los Gatos Fourplex, are still under affordability restrictions. However, the third development, Hartin House, did lose its affordability restrictions and the units are no longer affordable.	

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16. The Town shall encourage landlords and tenants to work together to develop rental rates fair to the needs of both parties.	19. Rental Resolution Program The Town shall continue to operate the Rental Resolution Program and will conduct a bi-annual review of the program and will revise the program if necessary.	The Town continues to operate this program but has re-named it the "Rental Dispute Resolution Program."	Continue to fund Rental Dispute Resolution Program.
17. The Town shall continue its participation in regional and countywide housing efforts in cooperation with the federal and state governments to develop realistic programs to provide housing for very low and low-income families.	20. Coordinate Housing Programs The Town shall continue to review and coordinate county, regional, state and federal programs for the satisfaction of housing needs in the Town.	The Town participates as a member of the HOME consortium of Santa Clara County and the CDBG Urban County program. Further, Town staff also participates in the Santa Clara County Housing Task Force.	Continue participation in County programs and coordination of other governmental resources.
18. The Town shall work with other agencies to provide housing or other appropriate assistance for the homeless population.	21. Homeless Assistance Program The Town will continue to work in a co-coordinated manner with Santa Clara County in developing a continuum of resources available to homeless households.	As part of the Santa Clara County Continuum of Care plan, the Town contributes CDBG funds to emergency, transitional and permanent housing developments in Santa Clara County. Further, the Town's Community Services Department coordinates services from non-profit groups (Second Harvest Food Bank, Catholic Charities, Live Oak Senior Center, etc.) that assist households at risk of homelessness.	Continue to participate in the County Continuum of Care process.
19. The Town shall assist in the provision of equal housing opportunities for all households regardless of race, age, sex, marital status, ethnic background or other arbitrary factors.	22. Fair Housing Information The Town will continue to provide fair housing, tenant-landlord mediation services and housing information.	The Town continued to fund non-profit agencies that provided fair housing counseling and information services.	Continue to fund fair housing activities.



*Example of new construction, infill development in Spring 2002.
(Boyer Lane)*

PROGRESS IN IMPLEMENTATION

To assess the Town's progress in implementing the 1997 Housing Element, the following key areas were reviewed.

1. Production of Housing

The 1997 Housing Element identified a need for new construction of 144 units. From January 1, 1996 to January 1, 2000, there were 132 housing units added to the Town's housing stock. Therefore, it would appear that 92% of the Town's new construction need was achieved from 1996-2000.

However, the 1997 new construction need specifically identifies units that would be affordable as follows:

45	-	Units Affordable to Very Low Income Households
44	-	Units Affordable to Low Income Households
<u>55</u>	-	Units Affordable to Moderate Income Households
144	-	TOTAL UNITS

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ILLUSTRATION # 23: UNITS PRODUCED BY INCOME LEVEL 1996-2000

Household Income	1997 Housing Element Objective	Units Produced 1996-2000	% Achieved
Very Low Income	45	12	27%
Low Income	44	3	7%
Moderate Income	55	5	9%
Above Moderate Income	0	112	----
TOTAL	144	132	92%

The 12 units of very low-income housing were developed at the Los Gatos Creek Village Apartments (Miles Avenue). The low-income units include 2 at Bella Vista and 1 at the Village. The moderate-income units include 4 units at Bella Vista and 1 unit at the Village. As the table above demonstrates, the Town did not achieve its objectives for very low, low or moderate-income housing during the 1997 Housing Element time frame.

2. Preservation of “At Risk” Units

Two “at risk” affordable housing developments were preserved during the planning period (Villa Vasona and the Los Gatos Fourplex). Unfortunately, the Hartin House lost its affordability restrictions during the same time period.

3. Rehabilitation of Existing Units

The Town had established a goal of rehabilitating 6 units annually or 24 units total during the time frame of the 1997 Housing Element. However, the number of units actually rehabilitated from 1996-2001 was 7 units total. Therefore, the program did not achieve its objective.

APPROPRIATENESS OF GOALS, OBJECTIVES AND POLICIES

Earlier in this chapter (page 57), the goals from the 1997 Housing Element were identified. These goals are still appropriate for the 2002-2006 time frame. However, the language of the goals will be modified to more specifically respond to the housing environment in Los Gatos in 2002. The following chapter, Chapter 8, identifies the goals, policies and programs for the 2002-2006 time period.



SUMMARY

THE TOWN ACHIEVED 92% OF ITS QUANTIFIED OBJECTIVES FOR NEW CONSTRUCTION OF UNITS DURING THE 1996-2000 TIME FRAME. HOWEVER, THE TOWN DID NOT ACHIEVE ITS NEW CONSTRUCTION OBJECTIVES FOR UNITS AFFORDABLE TO VERY LOW, LOW INCOME AND MODERATE INCOME HOUSEHOLDS. THIS WAS PARTIALLY DUE TO THE FACT THAT LOS GATOS IS ONE OF THE MOST EXPENSIVE HOUSING MARKETS IN THE SAN FRANCISCO BAY AREA AND, INDEED, THE NATION. FURTHER, HOUSING PRICES ESCALATED DRAMATICALLY, ESPECIALLY DURING THE 1998-2000 TIME PERIOD. THIS SITUATION MADE IT ESPECIALLY DIFFICULT TO DEVELOP HOUSING, ESPECIALLY AFFORDABLE HOUSING.

QUANTIFIED OBJECTIVES WERE ONLY PARTIALLY ACHIEVED IN REGARD TO PRESERVATION OF AFFORDABLE, AT-RISK UNITS AND REHABILITATION OF THE EXISTING HOUSING STOCK.